

Farm and Ranch Lands Protection Program Natural Resources Conservation Service

Indiana Application Guidelines - 2004

This version of the 2004 Indiana Farm and Ranch Lands Protection Program (FRPP) *Application Guidelines* should guide the preparation of your application. To assist you in going back and forth, the numbered items in the *Application Guidelines* correspond to the numbered criterion on the *Ranking Worksheet*.

Refer to the Indiana FRPP web site for more information and a link to the current Request for Proposals (RFP): <http://www.in.nrcs.usda.gov/programs/FRPP/FRPPHomepage.html>

Applications for funding must be received in the Indiana NRCS state office by close of business, -----, 2004.

A complete Application packet is available from the contacts below, or from our web site. Submit applications, including the signed *Application Checklist*, to:

Jane E. Hardisty, State Conservationist
USDA, Natural Resources Conservation Service
6013 Lakeside Blvd.
Indianapolis, IN 46278

Before submitting your application: Please contact the FRPP Coordinators to discuss your application and proposal. This is especially important if you are a first-time applicant. Communication early in the application process will help applicants understand current FRPP rules, and efficiently develop a complete and competitive application.

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The following guidelines describe required information to include in your application. The information will be used to determine sponsor and parcel eligibility for FRPP funding and to rank sponsors and offered parcels for FRPP participation.

To ensure your application is competitive for FRPP funding, please be thorough and complete in providing the requested information. Please provide supplemental information if you feel it will help provide a more accurate or complete picture.

There is no required application format or forms.

FRPP General Information -

Eligibility. Eligible sponsors include any agency of State or local government, or federally recognized Indian tribe. Certain non-governmental organizations that have 501(c)3 status, and are exempt from taxation under 501(a) of that code, are also eligible.

Other organizations may also be eligible. Specific eligibility criteria are included in the Request for Proposals. If you have questions about eligibility please contact the FRPP Coordinators for details before completing your application.

Non-Governmental Organizations: Please provide evidence of eligibility, specifically: a letter from the IRS verifying your non-profit status and a statement that your status has not changed since the letter was issued.

General overview of your program. Include history, objectives, accomplishments and plans. Brochures, newsletters, and other informational handouts are helpful. Maps showing the program area, land use, protected areas, and planned acquisitions are also helpful.

Contact information for your organization. Include the name, title, address, phone, email, and fax number of the person to communicate with regarding your FRPP application.

Funding. Provide detailed information on funding available for the proposed easement purchases. This information is used to determine Sponsor and parcel eligibility. At a minimum, provide information for the following categories:

- 1) Funds not yet available for easement purchases, but anticipated
- 2) Funds available now for the proposed easement purchases, pending only FRPP funding or final approval of the specific easements

For each category provide information on:

- Amount of funds
- Source of funds
- Date available, or expected to be available
- Approvals needed to use the funds for the proposed easements, and status and timeline for obtaining the approvals

Include supporting documentation such as Board approvals, bank statements, or loan history records.

Matching funds must be available before FRPP funds can be obligated. However, if adequate matching funds are not available at the time of application, you can still apply.

In evaluating and ranking your application, NRCS will consider any new or updated information you supply before final funding decisions are made by the State Conservationist.

Available funds means funds obligated for the purchase of easements by the applying Sponsor. Internal approvals may still be needed to authorize use of the funds on the specific proposed parcels. For example, a land trust may need to have Board approval, or a state agency may need Joint Finance approval.

Funds provided by a grant from another entity are not considered available until they have passed all internal approvals of the granting entity.

Cost share: *FRPP will provide up to 50% of the appraised easement value. The sponsor must provide the other 50%. Landowner donations of up to 25% of the appraised easement value can count as part of the sponsor's share of the easement cost.*

If the actual price paid for the easement is less than 75% of the appraised easement value, FRPP cost share will be less than 50%. The basic funding formula is:

50% or less landowner donation:

FRPP pays up to 50% of easement value

Sponsoring Entity must contribute at least 25%

more than 50% landowner donation:

FRPP & sponsoring entity split the actual easement cost

For example, for an easement with an appraised value of \$100,000:

Actual price paid	Landowner donation	Minimum sponsor share	Maximum FRPP share
\$100,000	\$0	\$50,000	\$50,000
90,000	10,000	40,000	50,000
75,000	25,000	25,000	50,000
60,000	40,000	25,000	35,000
50,000	50,000	25,000	25,000
30,000	70,000	15,000	15,000

Sponsor's Program Ranking Factors -

1) Sponsor's Program management

Describe the applying Sponsor's existing and/or planned policies and procedures for:

- baseline documentation
- easement monitoring
- easement enforcement
- title review
- appraisal review

To receive the highest score, all 5 policies and procedures must be described in sufficient detail for NRCS staff to determine if they meet Farm and Ranch Lands Protection Program requirements. Refer to the *FRPP Manual* for information on FRPP requirements.

(Available on-line at: http://policy.nrcs.usda.gov/scripts/lpsiis.dll/M/M_440_519.htm)

2) Number of easements currently held

Describe easements currently held by the applying organization. Easements used for scoring this element should be for the purpose of protecting agriculture, natural areas, or other open space. Easements for other purposes such as streambank or trail public access do not count for scoring this section. To receive the highest score, list for 10 easements:

- primary easement holder
- co-holders of the easement
- easement acres
- easement purpose
- easement location
- was easement purchased or donated ?

3) Staffing

Rating points are assigned based on hours that employees of the sponsoring organization spend working on the "farmland protection" activities of the organization, or any other easement acquisition and management activities. For each such employee, list:

- Name, title
- Employer
- Major duties
- Hours devoted to program management, farmland protection, or easement management during the last 12 months
- Estimated hours to be devoted to program management, farmland protection, or easement management during the next 12 months

Rating points will be awarded for volunteers. Clearly indicate that the information is for volunteers and document that there is effective use of volunteer time. Specific duties, activities, and hours must be defined as above for an employee, and the volunteers' duties should be related to their professional duties.

4) Status of previous FRPP grant(s)

If you have received no previous FRPP grants, or if all previous FRPP funds granted have been spent, no information is needed.

If you have not yet spent all the funds from a previous FRPP grant, please include an updated plan and timeline for use of the remaining funds on specific parcel(s) by either:

- the original, unamended deadline established in the Cooperative Agreement, or
- an extended deadline

If the specific parcels to be acquired have not been approved by NRCS (*Attachment A of the Cooperative Agreement*), please provide all information requested in the Application Guidelines for each proposed parcel, and a letter requesting they be added to Attachment A of the Cooperative Agreement.

If the specific parcels to be acquired cannot be identified, please provide as much information as possible on status of negotiations, or progress in identifying parcels.

If it is anticipated an extended deadline will be needed, please include a letter explaining why the extension is needed and requesting an amendment to the Cooperative Agreement. The letter should be signed by the program representative who signed the original Cooperative Agreement.

Parcel General Information -

Parcel summary. For each parcel provide:

- A recent, dated aerial photo (*see Aerial Photography below*)
- Parcel location map
- County, Township & Range, and section
- Landowner name
- Tax ID numbers for the parcel(s)
- Easement acres
- Easement duration
- Fair market value of the easement & method used to determine value
- Estimated total easement purchase price
- Requested federal share of the easement cost
- Amount of landowner donation, if any
- Expected timeline for easement acquisition
- Be sure all funding information requested above (*Program General Information*) is provided for each proposed parcel

Aerial photography

Include a recent, dated, aerial photograph of the easement area. An aerial photo of the area surrounding the easement, to at least a 3-mile radius, is needed for parcel ranking.

Some sources for aerial photography:

The local USDA Service Center may be able to provide aerial photos, or information on obtaining them.

For on-line access to aerial photography that you can print out, check the Terraserver web site: <http://terraserver.homeadvisor.msn.com/>.

Paper or digital copies of aerial photography can be purchased at:

- USGS: <http://edcsns17.cr.usgs.gov/EarthExplorer/> (800-252-4547).
- APFO: <http://www.apfo.usda.gov/> (801-975-3503).

Agricultural infrastructure and markets: Briefly describe agricultural buildings, equipment, and land improvements on the parcel. Also describe agricultural infrastructure not within the easement, which supports continued agricultural use of the parcel.

Include a brief description of agricultural markets and support services in the area. In addition to local knowledge, or information available from local farm organizations and businesses, there are on-line sources for this information:

- Indiana Agricultural Statistics Service: www.nass.usda.gov/in
- USDA Census of Agriculture: <http://govinfo.kerr.orst.edu/php/agri/area.php>
- AFT Farmland Information Library: <http://www.farmlandinfo.org/>

This information is requested to provide some assurance that FRPP funds are targeted to farms with good support infrastructure, and to areas with farm support businesses and markets that can support continued agricultural use for the foreseeable future.

Adjusted gross income: Parcels are not eligible for FRPP if the landowner's adjusted gross income exceeds \$2.5 million per year for the last 3 tax years. An exemption is provided in cases where 75 percent or more of the AGI is derived from farming, ranching, or forestry operations. There are other exceptions and rules.

Please notify all landowners of proposed parcels that USDA will require AGI documentation from them prior to releasing FRPP funds.

Land use and soil quality. Parcels with at least 50% in agricultural use (*criterion #17*) and with at least 50% important soils (*criterion #15*) qualify for FRPP funding in Indiana.

Parcel Ranking Factors -

5) Sponsor's Ranking System

Describe the method you use to rank and prioritize parcels for acquisition. Provide a copy of the completed ranking for each proposed parcel, including the score and associated notes for each specific ranking criterion.

6) Local Farmland Protection Plan

Identify city, town, or county land use plans that cover the easement and surrounding area. Provide copies of only the parts of these plans and the maps that are relevant to the proposed easements. Paper copies are acceptable forms for providing this information. Include:

- Plans to protect specific areas for agriculture, natural resources, parks, or other open space
- Sewer Service Area plans, urban growth boundaries, Annexation plans, Cooperative Boundary Agreements, or other development plans
- Plan maps
- Plans from all local governments affecting the easement area
- The agriculture element of comprehensive plans
- Plans that target specific areas for the purchase of development rights

Provide a copy of the Sponsor's plan to protect agricultural resources or other open space. Include maps showing the areas to be protected.

7) Zoning

Provide current city, town, or county zoning maps for the parcel and all immediately adjacent land.

Provide a copy of the zoning ordinance (including amendments) for all zoning categories present on the parcel or immediately adjacent land.

Also include a copy (including amendments) of any *Exclusive Agriculture* zoning ordinance; OR the ordinance for the zoning category that provides the highest level of protection for agricultural land.

Development pressure

Provide evidence of development pressure. Specifically:

- A map and documentation showing location of the parcel in relation to boundaries established in local government land use plans that define areas for future urban growth
- A recent, dated aerial photo of the farm and surrounding area showing non-ag-related homes or building sites within at least 1 mile.
- Other evidence of development pressure on the parcel or in the general area

See *Aerial Photography* section above.

Proximity to other agricultural land

Provide a map or aerial photograph showing land use immediately adjacent to the proposed easement area. Specifically identify:

- Urban development or housing unrelated to agricultural operations in the area
- Farmland and agriculture related housing and buildings
- Farm support businesses
- Parks, forests, wetlands, or other open-space land

See *Aerial Photography* section above.

8) Size of farm + any immediately adjacent farmland protected by a permanent easement

Provide a map showing this farm and any immediately adjacent farmland that is protected by a permanent easement and also describe the following:

- the commodities grown or sold from the offered farm
- the commodities grown or sold from the adjacent protected farms
- how the farms compliment each other
- the acres of each of the farms

9) Proximity to other farmland parcels protected by permanent easement

Provide a map showing other farmland protected by permanent easement within 3 miles.

For each easement within 3 miles, indicate:

- organization holding the easement
- acres of the easement
- easement term
- purpose of the easement

Show easements on working farms separately from other protected open-space areas such as parks, public lands, wildlife areas, natural areas, forests, or wetlands.

10) Value per acre

If the appraised easement value is less than \$4000 per acre, the parcel will receive the maximum score. NRCS may make an independent estimate of easement value if no appraisal is available.

11) Appraisal

Include any completed appraisals or written estimates of easement values. Describe what standards the appraisal meets, when it was completed, how it was valued, and any terms or conditions that are special to the appraisal for this easement.

12) Pending offer

A written pending offer is required for FRPP eligibility and is defined as “a written bid, contract, commitment, or option extended to the landowner” to limit conversion to non-agricultural purposes in perpetuity. The pending offer must include documentation illustrating the landowner's interest in selling an easement, and intent to complete the transaction. The pending offer does not have to be legally binding. The following are examples of qualifying pending offers:

- an option to purchase the easement, signed by the landowner
- an appraisal and a signed letter of intent from the landowner
- a signed copy of the landowner application to the sponsor's program
- a copy of an offer or written agreement with the landowner to acquire the easement, signed by both the landowner and the sponsor's representative

If total easement value is estimated, provide information on how the estimate was made. Provide specific documentation, such as:

- Signed estimate by a certified appraiser
- Appraised value or actual sale price for 2 or more recent, similar (*farmland protection*) easements on nearby farms with similar land use and soils

13) Easement terms

Include a copy of your draft easement, or include a detailed description of the proposed easement terms.

For each parcel, provide information on major issues remaining to be negotiated. Also, provide information on proposed terms and status (*eg: agreed or still in negotiation*) for each of the specific items below:

- Easement duration (*only permanent easements are eligible for FRPP in Indiana*)
- Easement purpose
- Size & location of farmstead area, if included in the easement
- Construction allowed in the easement area
- Subdivision of the property (*prohibited for FRPP funded parcels*)
- Allowable and prohibited land uses
- Any special terms

14) Partnerships

Provide information about partners assisting with the program, especially partners serving as backup holders for the easement. Specifically identify:

- Partners that will sign the easement, accepting a reversionary or successor interest in the easement. Also provide a proposed successor interest clause.
- Partners that will sign as equal co-holders of the proposed easement.

For non-governmental partners, provide documentation that the organization would qualify for FRPP funding.

The easement must be within the official program area of the backup easement holder, to receive points for this criterion.

15) Soil quality

Include a USDA, NRCS soil map of the parcel. List total acres of Prime, Unique, and Important Farmland soils within the easement area. List acres for each category separately.

The local NRCS office can provide soil maps, and data on Prime, Unique, and Important farmland.

Prime farmland lists are also on the web at: <http://www.in.nrcs.usda.gov>

16) Conservation plan

Provide a copy of any existing Conservation Plans for parcels offered. To receive the maximum score, provide:

- a current plan, prepared, revised, or reviewed within the last 5 years
- a conservation plan map
- signed AD-1026 form(s) for all land owned or managed by the landowner

Conservation plans and AD-1026 forms (*Highly Erodible Land and Wetland Conservation Certification*) are available from the local NRCS office.

Almost all farms in Indiana already have a completed AD-1026 form on file at the Farm Service Agency (FSA) office. The landowner completes the AD-1026 form to certify conservation compliance under the 1985 Food Security Act. A signed copy of the AD-1026 must be received by NRCS prior to acceptance of the easement and release of FRPP funds.

The local NRCS office can provide a copy of the current conservation plan.

17) Land use

Provide a map, aerial photo, or chart which shows current land use on the easement area. Specifically identify acres of each area used for:

- cropland, pasture, or hayland
- buffers or CRP
- CREP or WRP
- specialty crops

- farmstead buildings and agricultural support buildings, borrow areas, etc
- woodland or wetland
- homesites or other building sites

The local USDA Service Center can provide information on CRP, CREP, and WRP participation for the farm.

Describe the intended future use and ownership of the parcel.

Agricultural Use - The percentage of the parcel in agricultural use is both eligibility and a ranking criterion. FRPP defines "*Agricultural Use*" as it is defined in State Statute, except where that definition conflicts with the FRPP Statute or policy.

"*Agricultural use*" generally includes cultivated cropland; pasture; hayland; CRP; and specialty crops that have a high value and production cost per acre, such as fruits and berries, nuts, pick-your-own crops, vegetable crops, tobacco, sod farms, beekeeping, christmas trees, or nursery plants. "*Agricultural use*" also includes buffers, waterways, terraces and similar conservation measures. Additionally, "*Agricultural use*" includes the farmstead buildings and other support structures and areas such as grain bins, field access roads, manure storage areas, or buildings and pens for livestock. "*Agricultural use*" includes grassland areas, such as restored prairie; however, FRPP easements cannot prohibit conversion of grasslands to other agricultural purposes such as cultivated crops.

Agricultural use does not include forestland or wetlands, but these lands can be included as incidental areas on a parcel.

18) Agricultural viability

Indicate if the owner has developed a recent detailed farm succession plan and provide a copy in the proposal.

Also indicate the location and number of any reserved home sites that will be allowed under the easement for immediate family members for the purpose of sustaining this farming operation.

Any reserved home sites for other purposes will reduce the overall score of application.

19) Historical or archaeological resources

Provide documentation that the farm includes historical or archaeological sites **listed** in the National Register of Historic Places (eg: provide the site or building number from the NRHP web site: <http://www.nationalregisterofhistoricplaces.com/>, or -

Provide documentation that the farm includes historical or archaeological sites **determined eligible for listing** in the National Register of Historic Places by the state or tribal Historic Preservation Officer, or -

Provide documentation that the farm includes historical or archaeological sites **listed** on the State Register of Historic Places.

Provide documentation for any other type of historic or archaeological claim.

20) Social, cultural, economic, or scenic benefits

Provide documentation of any special social, cultural, economic, or scenic value of the farm, for example the farm:

- is a pick-your-own farm
- is a Community Supported Agriculture farm
- hosts public tours or harvest festivals
- is an important employer of local seasonal labor
- markets processed products directly to the public
- contributes higher than average economic benefit to the area
- has scenic views that make it significantly more attractive for development than other parcels in the area
- is important to maintaining the scenic rural character of the area, which is important to the local tourist economy

21) Environmental benefits

Provide documentation of any special environmental benefits of the farm, for example the farm:

- is adjacent to a protected natural area
- contains rare or endangered plants or animals
- has other special environmental benefits